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**Committee on Natural Resources**  
**Washington, DC 20515**

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DEMOCRATIC STAFF DIRECTOR

April 29, 2011

John S. Watson  
Chairman and CEO, Chevron Corporation  
Chevron Oronite Company LLC  
6001 Bollinger Canyon Rd  
San Ramon, CA 94583-2324

Dear Mr. Watson,

I am writing to ask for information justifying a claim in your current television advertisement on Chevron's profits and expenditures. In this advertisement, titled "We Agree – Growth and Jobs TV" Chevron claims, in reference to how it spent its 2010 profits, that "every penny and more went into bringing energy to the world."

According to Chevron's annual statements, profits in 2010 totaled \$19.1 billion. Your company spent \$1.1 billion on exploration for energy. Yet your company dedicated \$6.5 billion to stock buybacks and dividends for shareholders.

I am concerned that you have created a misleading ad that deceives consumers and deflects attention away from your industry's attempts to protect billions of dollars in tax breaks. Left uncorrected, I fear that this advertisement gives the perception that the high gas prices consumers are now paying at the pump are leading to energy producers like Chevron increasing investments in exploration to produce new energy. However, in reality, investments in exploration at your company declined in 2009 and again in 2010.

Therefore, I am asking for the following answers to be delivered within 10 business days:

- 1) Please provide any financial information that justifies the claim that Chevron spent "every penny and more" of its profits on bringing energy to the world.
- 2) Please explain how \$6.5 billion of stock buybacks and dividends brings energy to the world.
- 3) Please provide any documents, financial justification, or other communication released to television stations and networks to justify the claims in Chevron's advertisement.
- 4) Please provide the total expenditure by Chevron to run this advertisement in all media and locations.

- 5) Please provide the total advertising expenditures for Chevron in 2010, and existing and budgeted expenditures for 2011.
- 6) Please provide Chevron's position on whether the tax breaks given to Chevron by the U.S. taxpayers should be continued.
- 7) Please provide the amount Chevron was able to withhold or avoid paying in Federal taxes in 2010 from tax breaks provided by the U.S. government.

Thank you for your prompt attention to this important matter.

Sincerely,



Edward J. Markey

Ranking Member

Committee on Natural Resources